

# Delaware

## Clean Water Advisory Council News

CWAC News

Summer 2010

### Chairman Corrado's General Assembly Testimony

On April 29<sup>th</sup> Joseph J. Corrado, Chairman of the Clean Water Advisory Council presented testimony before the General Assembly's Joint Bond Bill Committee in Dover. Chairman Corrado has been continuously involved in the activities of the Council since its inception except for a short two year hiatus. His longevity on Council has provided him with a unique perspective when it comes to discussing both the accomplishments of the Council and the need for further innovation in the Council's approach to the way it addresses the very challenging issues of surface and waste water issues it is charged with overseeing. The following are selected excerpts from Chairman Corrado's testimony.



Joseph J. Corrado

The Council is an advisory body to the Governor and the Secretary of DNREC on matters of wastewater treatment, water quality, drainage, and stormwater management in Delaware. I'm here today to: 1) update you on the Council and DNREC's progress in funding critical wastewater and stormwater infrastructure projects; 2) request funding for the required State Match for the State's Clean Water Revolving Loan Fund (CWSRF) program; and 3) to discuss an opportunity for rebalancing/reallocating existing appropriated Bond Bill funding to implement needed drainage and water management projects.

Last year Delaware received \$18.5 million in federal stimulus funds for the CWSRF program, for which NO state match was required. This federal assistance was leveraged with existing CWSRF funds of \$32.9 million, USDA co-funding of \$32.4 million, and Federal Earmark/Developer Contributions of \$1.9 million, for a total of \$85.7 million in project funding. As a result, more projects were funded last year, than in any other of the 19-year history of the CWSRF program. The council funded 26 municipal wastewater projects; 6 stormwater projects; and 7 green infrastructure projects (4 stormwater, 1 reuse, and 2 green). Since the inception of the CWSRF program, the Council has recommended 83 municipal wastewater/stormwater loans totaling \$266.4 million and 1,186 non-point source loans totaling \$13.5 million.

Between 1994 and 2009, the General Assembly, through the Bond Bill and 21<sup>st</sup> Century Fund, has appropriated \$26.4 million in state funds to match \$132.3 million in federal funds for the CWSRF program. This is a five to one leveraging of state funds. Due to the State's budget concerns last year, the required 20 percent state match of \$654,000 in order to receive \$3.3 million in federal assistance was not provided by the General Assembly, but instead was funded from our Non-Federal Administrative Account. The Non-Federal Administrative Account is funded from a one percent administrative fee charge on municipal loans funded through the CWSRF program. This year, the CWSRF program is eligible to receive about \$10 million in federal assistance. In order to receive this \$10 million in Federal funding, Delaware will be required to provide \$2.0 million in state match funding. If the Non-Federal Administrative Account is again used to provide the required state match, it will almost deplete this fund and will severely limit the Council's ability to recommend needed funding for other historic program uses of the account, such as due-on-transfer loans for septic system repair; community water quality improvement grants; and wastewater/stormwater matching grants.

Approximately \$57.7 million appropriated from the 21<sup>st</sup> Century Fund, since 2005, has been utilized by the Council for investment in wastewater utility planning projects totaling \$1.1 mil-

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### Council Subcommittees

The Advisory Council has four subcommittees listed below that meet as needed and report back to the full Advisory Council. Subcommittee meetings are open to the public.

- Wastewater  
Lee Beetschen, Chair
- Surface Water  
Jeff Bross, Chair
- Public Outreach  
Andrew Manus, Chair
- Finance  
Andy Burger, Chair

## Corrado's General Assembly Testimony *continued*

lion and for wastewater grants of \$56.6 million in the form of **grants** to make high priority wastewater projects affordable for communities throughout our State. Available 21<sup>st</sup> Century Funds for wastewater planning and affordability grants are nearly exhausted. Currently, the Non-Federal Administrative Account is the only source of funds available on a very limited and, frankly, insufficient basis for wastewater planning and affordability grants. Without a budgetary appropriation this year, the Council will likely be suggesting other possible fees to support necessary planning and grants funding for environmental infrastructure needs.

In summary, the federal fiscal year 2010 CWSRF Capitalization Grant from the Federal Government is approximately \$10.0 million, which requires a 20 percent state match of \$2.0 million. The 21<sup>st</sup> Century Fund for matching federal funds has been exhausted. Therefore, on behalf of the Clean Water Advisory Council, I respectfully request that you and your colleagues consider appropriating the \$2.0 million required as State Match for Delaware's CWSRF program. This will enable important and much needed wastewater and green infrastructure projects to move forward this year while providing an important stimulus boost for jobs in the State's construction industry.

Since 1996, approximately \$72 million has been appropriated through the Bond Bill for drainage and water management projects. New projects and funding have been added each year; however, individual projects have not been considered "fully funded" until funding has reached 75 percent of the project's estimated construction costs, respectively. The remaining 25 percent of project costs comes from a variety of match sources, including Community Transportation Funds.

There are approximately 700 drainage, flood control and water management projects at various stages of funding which have not reached the 75 percent or full funding level. Historically, average annual spending on completed water management projects has been about \$3.5 million per year. Of the \$72 million appropriated since 1996, \$49 million has been spent. This is because only \$49 million worth of projects reached the fully funded level. Between FY 2008 and 2009, **\$8.3 million** in Bond Bill monies earmarked for drainage projects reverted to the Budget Office or was returned, leaving a current balance in the Bond Bill account of approximately \$14.2 million. This remaining money resides in several hundred project lines or accounts waiting for additional funding.

Serious flooding and drainage problems persist throughout our State. A reduced number of projects have been completed or moved to construction over the last 2 years due to a lack of new 21<sup>st</sup> Century Funds. This is an untenable situation which is resulting in property damage. The Clean Water Council believes that we have a stop gap program to put this unspent money to

use to address our worst problems while providing job creation and preservation in the State's hard hit construction industry.

Accordingly, I respectfully request that the Bond Bill Committee consider:

1. Rebalancing existing 21<sup>st</sup> Century Fund projects with the remaining appropriated funds (now approximately \$14.0 million) being re-allocated among priority projects. These remaining funds would be allocated to projects that can be quickly completed within the same Conservation District or County where the pre-allocated funding was targeted. For instance, if all the identified Kent County drainage projects were funded at \$5 million, that \$5 million would be re-allocated for priority projects in Kent County. The \$14.2 million could be re-allocated to priority projects, following consultation with legislators, so that all of the prioritized projects are fully funded at 90% of the project estimate. This would require only a 10% match to make the project bid ready rather than the current 25% match. The lower match requirement, which might include contributions from landowner(s) will enable priority projects to get underway sooner resulting in the protection of homes and businesses while stimulating jobs and income. Projects not funded as part of the re-prioritization would remain in the 21<sup>st</sup> Century Project List (List) unless removed in consultation with the legislator(s). These unfunded projects would remain on the List and would still be eligible for future funding.
2. Authorized 21<sup>st</sup> Century Fund projects which are scheduled for completion on, or before, June 2011 and the funding associated with these in-process projects would be held in reserve until July 2011 in order to complete these projects.
3. In the absence of any further 21<sup>st</sup> Century Fund appropriations, CWAC proposes to work with the administration and legislators to develop a new funding mechanism that would generate revenues for surface water projects by, or prior to, FY2012 with several categories of projects that could be funded by different sources of money. These might include:
  - Small projects (under \$50k) which could be fully funded with community transportation funds, cost share, or local match. Cost share funds could be reserved for lower cost projects (<\$15k) benefiting a single landowner.
  - Priority projects fully funded at 75 or 90% (at the discretion of the legislature) of estimated cost with 21<sup>st</sup> Century RCD money from (\$50k to \$500k). In order to jump start these projects, we propose

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## Engineering Firm for CWAC Funded Project Receives Award

CABE Associates, Inc. was selected as the winner of the 2010 Grand Conceptor Award for the Town of Millsboro 2009 Wastewater Treatment Improvements Project by the Delaware Chapter of the American Council of Engineering Companies. The Grand Conceptor is the highest honor in their annual Engineering Excellence Awards Program.

The program recognizes those engineering achievements that demonstrate the highest degree of skill and ingenuity, while providing a significant benefit to the public welfare and the practice of consulting engineering.

CABE Associates provided comprehensive engineering services for this project including planning, design, and innovative financing that enabled the Town to construct the first tubular membrane wastewater treatment BNR facility on the Delmarva Peninsula. The facility is the largest air-lift tubular membrane wastewater treatment process in the Western Hemisphere, as well. The high level of treatment provided by the membrane bioreactor (MBR) treatment system produces effluent suitable for multiple beneficial reuse, aquifer recharge, and disposal methods.

The singular financing concept developed for this project reduced borrowed funds by 27%. Additional work amended the Town's annexation, impact and connection fees to better reflect the capital cost and debt risk associated with municipal wastewater infrastructure capacity improvements.

Shoehorning the project into a tiny 1.7 acre site, while keeping the existing system in operation, required considerable ingenuity



*Town of Millsboro's  
Wastewater Treatment Plant*

during design and great dexterity, by Bearing Construction, during construction. Existing tankage was reused in the new plant but in different services. The plant was designed to expand vertically. Mechanical and process equipment were built on top of equalization and process tankage. The air-lift tubular membrane equipment is uniquely housed in a building versus being submerged in the process tanks. Modular capacity adjustments, maintenance and repair all benefit from this arrangement.

This tubular membrane technology is the keystone to Millsboro's treated wastewater beneficial reuse program, the first of its type in Delaware. The delivery phase of the reuse program will be partially funded by the American Recovery and Reinvestment Act 2009 Green Project Reserve.

The first phase of the upgrade, 1.15 MGD capacity, was completed in July of 2009. The second phase, when constructed, will expand the plant to an ultimate capacity of 3.0 MGD.

## Meet the Council Member

Joseph G. Charma, P.E., is a principal and the Vice-President of Operations of Landmark Engineering/JCM Environmental. Joe's day to day responsibilities include general oversight of a staff of 59 engineers, technicians, and scientists located in five offices in Delaware, Pennsylvania, and Maryland.



*Council member  
Joe Charma, P.E.*

Joe has a Bachelor of Civil Engineering degree from the University of Delaware and an Associates of Applied Science, Civil Engineering degree from Broome Community College, Binghamton, New York. He has over 36 years of experience in site engineering with a concentration in hydraulics and hydrology. His responsibilities as an engineer include land use and constraint analysis, master planning, feasibility studies, sanitary sewer design, design of residential and industrial wastewater disposal systems, pumping station design, flood studies, design of storm drainage and stormwater management systems, design groundwater recharge systems, and analysis of sedimentation processes.

Joe is a member of the Delaware Association of Professional Engineers (DAPE), a member of American Public Works Associations, Chairman of the Downtown Newark Partnership (DNP) Design Committee, a member of the Board of Directors of the DNP, a member of the Committee of 100, a member of the DAPE Law Enforcement and Ethics Committee, and a member of the New Castle County Water Resources Technical Advisory Committee.

Joe resides in Newark with his wife and two children. He is an avid runner, amateur musician, and artist.



*The Town of Millsboro's  
tubular membrane waste-  
water treatment biological  
nutrient removal facility is  
the first of its kind on the  
Delmarva Peninsula.*



*Advisory Council to the Department of Natural Resources and Environmental Control*

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## Corrado's General Assembly Testimony *continued*

that projects which have accumulated 10% or more of non-state matching funds receive a higher priority than projects that have no non-state matching funds. Sources of the required match could include contributions from municipalities, private entities such as homeowners associations, maintenance corporations, grant funds (including Green Infrastructure grants), and accumulated interest;

- Large capital improvement projects in excess of \$500k would rely on SRF loan or grant funds and/or a project specific Bond Bill appropriation.
4. Creating a project priority list of new projects presented by the respective Conservation Districts, Counties and the DNREC Division of Soil & Water Conservation with endorsement by the Surface Water Subcommittee of the Council to the Bond Bill Committee would have any appropriated funds within the same Conservation District or County allocated to the project list so that all projects were fully funded at 90% until the allocated funds were exhausted.
  5. The Council will consider all eligible projects as defined by the current Joint Legislative Committee on the Capital Improvement Program rules. We propose that a representative from the Bond Bill Committee and/or the Office of Controller General be available to advise the Council's Surface Water Subcommittee as it prioritizes surface water management projects to be funded under this proposal.

In summary, we respectfully request your consideration of:

1. Rebalancing the remaining \$14.2 million for drainage, flood control water management projects under this rebalancing/reallocation proposal; and
2. Reducing the required match for 21<sup>st</sup> Century Fund projects to 10% through at least 2012.

*Post testimony note: House Bill #500 of the 145th General Assembly approved both of the aforementioned requests. See House Bill #500, Sections 80 and 84, respectively, for further details.*

## Vice Chairperson Bross Receives Award

CWAC Vice-Chairperson, Jeffrey M. Bross, P.E., LEED AP, FACEC was selected to receive the Samuel S. Baxter Memorial Award from the Water Resources Association of the Delaware River Basin (WRA-DRB) for his "contributions, accomplishments, leadership and community service during an illustrious career as a professional consulting engineer to the standards exemplified by the former Philadelphia Water Commissioner, Samuel S. Baxter." Mr. Bross was honored at the WRA-DRB annual dinner on April 21st.



*Council Vice-chairperson, Jeffrey Bross, pictured in the center, is presented with the Samuel S. Baxter Memorial Award.*

## Clean Water Advisory Council Members

Joseph J. Corrado,  
*Chairperson*

Jeffrey M. Bross, P.E.  
New Castle County  
Vice Chairperson

Jeff Flynn  
*City of Wilmington*

Lee Beetschen, P.E.  
*Kent County*

Gary L. Burcham  
*DE Institute for  
Planning Design*

Josef A. (Andy) Burger  
*Conservation Districts*

Eugene S. Dvornick  
*Town of Georgetown*

MBrian D. Marvin  
*At-Large Member*

Andrew T. Manus  
*Environmental Representative*

Joseph G. Charma, P.E.  
*Landmark Engineering, Inc.*

Hans Medlarz, P.E.  
*Del. Association of Counties*

Robert L. Stickels  
*George, Miles, & Buhr*

Council meetings are held the third Wednesday every other month at the Kent County Administrative Complex in Dover. Meetings begin at 9:00 a.m. and are open to the public.

### Upcoming meeting dates for 2010

August 18  
October 20  
December 15